

How Manufacturers Are Using Forecasting to Fuel Recovery and Resiliency >>>>>>>>



Xactly[®]

2020-2021: THE REBIRTH OF THE MANUFACTURING INDUSTRY



The past two years have seen some of the largest market disruptions to ever hit manufacturing. Rapidly evolving market conditions have exposed cracks in the system, with impacts felt across multiple industry sectors.

In one fell swoop, manufacturing sites shut down, ports closed, and the global economy was hit hard. The sudden shock to the global supply chain resulted in the most significant hit to the U.S. manufacturing industry in the last 100 years, according to the Federal Reserve.¹

But 2020 wasn't a struggle for every company. A survey of manufacturing and distribution leaders uncovered that 60 percent of companies have grown revenue during the pandemic.²

The unprecedented supply chain disruptions of the past year have proven to be a blessing in disguise for many manufacturers. This industry is now feeling empowered to move faster and become more resilient than ever before.

THE FUTURE OF MANUFACTURING: DISRUPTION-PROOFING ITS OPERATIONS



According to Salesforce's Trends in Manufacturing report, 36 percent of companies feel "very prepared" for the next 10 years.³

To make their business operations more resilient, future-ready enterprises are investing in intelligent software and adopting an agile mindset. 95 percent of manufacturers expect some operational changes to be permanent.³ Here are three ways that manufacturing leaders are stabilizing operations.

1. FOCUSING ON CUSTOMER EXPERIENCE

Product demand is surging. Manufacturers must produce high-quality products faster, more efficiently, and at a lower cost, often in response to customized specifications. At the same time, the relationship between manufacturer and customer has shifted.

A LOOK AHEAD:

1. 2020-2021: The Rebirth of the Manufacturing Industry
2. The Future of Manufacturing: Disruption-Proofing Its Operations
3. Agility: The Key to Manufacturing Resiliency
4. Investing In The Future

36%

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Customers have become accustomed to personalized experiences, transparency, and faster response times from manufacturers.² According to Salesforce, 56 percent of manufacturers believe these changes are here to stay.³

Modern demand planning must show higher levels of empathy and responsiveness to the customers' needs. That's forcing businesses to take a second look at sales and operations planning.

Intelligent forecasting allows companies to improve customer experience. Intuitive software applies data insights to reveal the right combination of tactics and technology needed to satisfy modern customers. This empowers companies to deploy time, energy, and resources at the right time, in the right places.

2. IMPROVING THE NEW WORKPLACE

Over half of manufacturers anticipate permanent changes in sales capabilities and customer service as remote selling, e-commerce, self-service, and other ways of doing business take hold.³

You can anticipate and plan for these changes using the same data you use for your sales forecast. The data can identify and course-correct sales plans in response to headcount fluctuation, product changes, market volatility, and policy changes.

According to recent Deloitte research, applying artificial intelligence, cloud computing, and advanced analytics can increase visibility and transparency for organizations.⁴ This affords manufacturers the ability to make faster changes to operational processes in response to market-based threats or opportunities.

3. MAKING STRATEGIC DIGITAL INVESTMENT

According to Gartner, 36 percent of heavy manufacturing CIOs who have recently experienced some kind of disruption say that operating cost competitiveness has fallen behind.⁵ **Increasing competition is putting pressure on organizations to reduce costs, improve customer experience, and increase profitability. Companies that get this right typically see 5 to 10 percent revenue growth with the same or improved margins.**⁶

For manufacturing, profitability is everything. Combining your data with an intelligent forecasting solution enables you to predict accurate and reliable revenue numbers. This creates supply chain resilience by informing business decisions such as expenses, growth initiatives, and resource allocation.

Here's what manufacturing employees had to say about the current shift:³

70% say their success metrics have changed

53% expect their role to be permanently changed

64% say they've taken on new responsibilities

36%

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AGILITY: THE KEY TO MANUFACTURING RESILIENCY



81 percent of manufacturers say they need both new approaches and new tools for accurate forecasting, and believe that moving their planning process to the cloud is a critical or high priority.³ Visibility into sales data is imperative to navigate a turbulent market and to make smart decisions informed by objective analytics.

Real-time KPIs and the ability to conduct scenario modeling and what-if analyses are crucial to increasing agility.

Manufacturers can now slice and dice data in ways that offer them a comprehensive view into the operations of their business. This is essential as organizations reevaluate their forecasting and planning models as part of their COVID-19 exit strategies.⁷

BUILDING A BETTER FORECAST

76 percent of manufacturers agree that traditional forecasting has gone out the window. Yesterday's playbook no longer suffices. Those who have moved to the cloud or use automated technology report a faster adaptation time to market changes.³

The biggest obstacle to traditional forecast accuracy is a lack of data transparency and accessibility across the value chain. 63 percent of manufacturing customer/prospect teams cannot access actionable insights in real-time.³ This highlights the need for leaders to equip their sellers with the technology needed to operate in this new environment.⁸

Companies that embrace digital technology innovation experience nearly 20 percent higher gross margin than the laggards.⁹

By analyzing sales activities, manufacturing leaders understand when and where to introduce additional processes, resources, strategies, and tactics that have an impact across the entire organization. Long-term investment in quality, customer retention, and operational efficiency helps organizations run like a well-oiled machine.




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INVESTING IN THE FUTURE



Harnessing data affords organizations better accuracy in their planning, laying a solid foundation for recovery and setting the stage for sustainable growth on the other side of this crisis.

Investments in technology enable manufacturers to increase operational visibility, reduce costs, expedite production times, and deliver exceptional customer support. To achieve this, companies must choose solutions that allow access to real-time sales insights and provide the ability to evaluate and execute on those insights continuously.

Xactly [Forecasting](#) couples deep expertise and unique data sets to give manufacturers and wholesale distributors the real-world insights they need to effectively grow revenues, reduce risk, and contain costs.

Learn more ways you can use your data to increase agility and forecasting accuracy in the guide [“Why a RevOps Mindset Depends on Accurate Sales Forecasting.”](#)



Xactly has helped thousands of companies and millions of sellers around the world beat their revenue targets. Using the Xactly Intelligent Revenue Platform, leaders look past the current quarter to create revenue streams for long-term growth. It is the only solution that aligns seller behavior with boardroom strategy to create a resilient, predictable and profitable business.

To learn more about Xactly and the latest issues and trends in intelligent revenue, follow us on [Twitter](#), [Facebook](#), and subscribe to our [blog](#).

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4. [Deloitte](#)
5. [Gartner](#)
6. [McKinsey & Company](#)
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9. [Harvard Business Review](#)

HOW MANUFACTURERS ARE USING FORECASTING TO FUEL RECOVERY AND RESILIENCY

Flowserve Corporation

Flowserve is a global manufacturer and service provider of fluid control devices operating in over 50 countries with more than 17,500 employees worldwide.

“What I’ve seen through this[COVID] process with Xactly is people on my team step up through that crisis and achieve the expectations that sometimes they didn’t even know were there for themselves. It’s been personally rewarding for me to equip and arm my team with the right set of solutions and skills to succeed in the middle of this chaos.”

- David Lowe Global Director of Sales Operations, Flowserve

Xactly’s performance dashboards provided Lowe and his team with a snapshot of performance in real-time, allowing them to drill down into potential problem areas and reducing Flowserve’s reaction time to threats in the market. In times of adversity and accelerated change, Lowe and his team were able to pivot and increase operational agility when Flowserve needed it most. With access to intuitive and real-time solutions, his teams were able to prove that the organization as a whole can count on them to take control and navigate uncertainty with confidence.

[Read more about their experience here.](#)